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KREISKY ANSWERS FOREIGN POLICY QUESTIONS; ISSUES WARNING ON ECONOMIC SPLIT IN EUROPE; REAFFIRMS CONCERN WITH THE TYROL

Austrian Foreign Minister Bruno Kreisky recently answered a number of foreign policy questions in parliament.

Concerning the European Economic Community, Dr. Kreisky said that he considered that institution useful, particularly because it would probably succeed in burying the old conflict between Germany and France for all time. Only when Europe is spared such altercations will it regain its true stature, he said.

He then declared: "In agreement with the chancellor and the other members of the government, I am of the opinion that Austria must concentrate on gaining the confidence especially of the great powers. This means strict adherence to contractual obligations even if, subjectively speaking, such a course may be disagreeable. There is a difference in whether international lawyers discuss the question of Austria's participation in the European Economic Community or whether the Austrian government discusses such a question with one of the great powers. The advantages which may accrue to Austria by joining the EEC might well be outbalanced by a worsening of the political climate which could result from such participation.

He then continued: "It seems to me that it is incumbent upon Austria to make the first and most urgent demand for negotiations between the EEC and the Free Trade Association. Such efforts are in the interest of an economic integration of Europe and should spare the continent an economic division. In regard to a closer relation between the Council of Europe and the OEEC, Austria will as a matter of principle stand for cooperation between these two institutions.

"VIENNA MEMORANDUM" ON OIL PROPERTIES

In answer to a question about the Vienna Memorandum, Dr. Kreisky declared that the document did not obligate governments but that the governments of the Western powers and the Austrian government had agreed on the validity of certain contracts between corporations. Most of the items of the Vienna Memorandum had been agreed on, he added. Open was only the question of what the corporations should receive for their former rights. Following the constitution of the new government this summer, he said, negotiations were immediately taken up again and should be concluded by the end of the year.

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U.S. BANKER FINDS "UNLIMITED POSSIBILITIES" FOR AMERICAN INVESTMENTS IN AUSTRIA

"The possibilities for American firms to invest in Austria are practically unlimited," Henry A.J. Ralph, president of the American-Austrian Chamber of Commerce and a vice president of the Bank of America, said upon returning to New York from his most recent visit in Austria.

Ralph said he had spent most of the summer traveling throughout Austria to discover new investment possibilities there and to promote Austrian exports to the United States. In a recent issue of the periodical "Austrian Business," Ralph wrote: "American enterprises become ever more conscious of the advantages of investments in countries such as Austria. Such investments are often undertaken in partnership with domestic industries which know local conditions well."

Ralph, who was received by Austrian Chancellor Julius Raab, Vice Chancellor Pittnermann, and a number of other high government officials, also listened to the worries of Austrian industry such as the situation brought about by the American import limitation, high tariffs for metal-working machinery, and anti-dumping clauses which hit Austria's textile industry. Ralph said that these questions were now under study; it is hoped that a solution will be found.

His "background-trip" in Austria helped Ralph to come to these conclusions:

1. The American-Austrian Chamber of Commerce must help Austrian manufacturers to adapt their merchandise to meet the American taste in order to sell it in the U.S.
2. The Chamber must work harder at its task of being the "broker" between interested parties in the U.S. and Austria who desire American investment in Austrian industries.
3. Since the receipts from tourist traffic are of the greatest importance to Austria's efforts of achieving a level payments balance, the Chamber must help to increase the flow of American tourists to Austria.

THE DEFENSE MINISTER'S U.S. STAY

Austrian Minister of Defense Ferdinand Graf arrived in Washington on November 4 and was met at the airport by the Secretary of Defense Neal McElroy, the Austrian Ambassador to the United States Dr. Wilfried Platzer and the Joint Chief of Staff General Nathan Twining.

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Immediately after his arrival, the Minister of Defense accompanied by Ambassador Dr. Platzer went to the State Department for a discussion of various current problems with Deputy Undersecretary for Political Affairs Livingston T. Merchant. Later in the day the Austrian Minister of Defense attended a dinner given by Secretary of Defense McElroy at Fort McNair.

On November 5 Minister Graf, accompanied by Ambassador Dr. Platzer, presented a contemporary Austrian tapestry to President Dwight D. Eisenhower at the White House. The tapestry shows Belvedere Castle, where the Austrian State Treaty was signed in 1955, surrounded by symbols of liberty and regained sovereignty. It is a gift from the Austrian government in recognition of US economic aid to Austria in post-war years. Austrian Chancellor Dr. Julius Raab already presented its design to President Eisenhower during his visit to the United States in May 1958. President Eisenhower asked Minister Graf to convey his thanks to the Austrian government and people.

At noon Minister Graf and the accompanying Austrian army officers were guests at a luncheon given by Secretary of the Army Wilber M. Brucker. In the evening the Austrian Ambassador to the United States entertained at a reception in honor of the Minister of Defense.

On November 6, Minister Graf placed a wreath at the Tomb of the Unknown Soldiers at Arlington National Cemetery. The Austrian Ambassador to the U.S., Dr. Wilfried Platzer, Commanding General of the Military District of Washington Charles K. Gailey and the Austrian Military and Air Attache Lt. Col. Paul Klein attended the ceremony.

After talks with the director of the Office of Civil Defense Mobilization Leo A. Hoegh, Minister Graf left for Goldsboro, N.C. from Bolling Military AFB.

On November 7 Minister Graf and members of his party arrived in Miami, Fla. from where they continued their tour to Ft. Benning, Ga.

On November 10 Minister Graf and his party moved on to Ft. Bragg, N.C. to get a first-hand impression of paratrooper training.

The next stop on the minister's itinerary was Fort Knox, Ky. where he had an opportunity to see tactical war games at the U.S. Armor Training Center. In the afternoon, Minister Graf visited the Headquarters of the American Civil Defense Mobilization in Battle Creek, Mich. and then moved on to New York from where he emplaned for Europe on Nov. 14.

AUSTRIAN HISTORICAL BOOKS FOR U.S.

A collection of books, periodicals and newspapers constituting a documentation of Austrian history was presented to the American Historical Association at the Austrian consulate in New York. The collection was accepted by Hans Kohn, professor at New York University, who is considered the leading American specialist in the history of the Hapsburg monarchy.

SOUTH TYROLEANS GRATIFIED AT AUSTRIA'S INITIATIVE BEFORE THE U.N.

The Party Congress of the South Tyrolean *Volkspartei* in Bozen has transmitted to the Austrian government its gratitude for the steps undertaken in the South Tyroleans' behalf by Austrian Foreign Minister Bruno Kreisky in the United Nations.

A resolution which found the overwhelming approval of the delegates to the party congress said that "the South Tyrolean *Volkspartei* wishes to express its gratitude to Austria and the Austrian foreign minister for bringing the demands of the South Tyrolean population before the United Nations General Assembly."

The resolution continued: "The Party Congress requests Austria and its official representatives to continue on this road and to bring the South Tyrol question before the United Nations in the appropriate form in case direct negotiations with Italy should be indefinitely prolonged."

The congress reiterated in the resolution its unvarying stand that autonomy for the province of Bozen is implicit in the Gruber-DeGasperi agreement. The demand for self-administration seemed to be a moderate request at a time when many peoples — those of Africa being a case in point — were granted self-determination.

This position, the document said, springs from a truly European spirit. But if Italy should be incapable to accommodate itself to such a European position, it must expect that the demand for self-determination will soon be uppermost in the minds of the South-Tyrolean people.

AUSTRIAN REPRESENTATIVES PRESENT

The party congress was, for the first time, attended by representatives of the three Austrian parliamentary parties. The meeting took place in a large moving picture theater in Bozen. Among the Austrian parliamentary guests was Socialist party deputy *Zechl* who said in a short speech that the South Tyrol was a matter of the heart for the entire population of Austria and transcended all political differences. He added that the South Tyrol question will remain a world problem until the South Tyroleans themselves agree that their cause has been upheld. Austrian *Volkspartei* deputy *Weiss* and *FPOe* chairman *Peter* spoke in a similar vein.

KREISKY ANSWERS FOREIGN POLICY QUESTIONS

(Continued from page 1)

AUSTRIA UNITED ON SOUTH TYROL

In conclusion, Foreign Minister Kreisky declared that Austria is fully determined to persevere in its initiative on behalf of the people of the South Tyrol. No doubt must arise, he said, about the seriousness of the declaration of the Austrian government that the South Tyrol question would be brought before the UN at the earliest possible time if negotiations failed to achieve a satisfactory solution.

Dr. Gschnitzer, state secretary in the Austrian foreign ministry, then briefed parliament on the status of the Austro-Italian negotiations.

AUSTRIA STATES POSITION ON APARTHEID BEFORE UN COMMITTEE

Simon Koller, Austrian delegate to the Special Political Committee, recently stated Austria's position on the apartheid-policy of the Union of South Africa. Dr. Koller said:

For some years now, the rather unedifying question of racial discrimination implicit in the apartheid-policy of the Union of South Africa has been on the agenda of the General Assembly. Unhappily, there again is little likelihood that the weight of the influence of the United Nations will be sufficiently felt to bring this very serious problem to a just solution and thus bring to an end the recurrent deliberations on this subject.

The founders of the United Nations, conscious of the historic responsibility resting upon them, have clearly recognized that good-neighborly relations between nations, established on a basis of mutual respect and proper regard for national and ethnic differences - without, it should be emphasized, discrimination of race or religion - is an essential requisite for peace. In so doing, they have of course affirmed the inalienable human rights which we may disregard only at our peril. As it happened, an infringement upon these rights has often given rise to internal and international conflict - indeed, even to war - and has brought untold misery upon all concerned.

In the eyes of the world the United Nations has become the guardian and guarantor not only of peace and security, but also of a life in liberty and dignity. It would appear, therefore, that humanity itself demands that measures be taken by the United Nations to prevent the recurrence of such violations.

Giving due recognition to this fact, the preamble of the United Nations Charter solemnly reaffirms the faith in the basic human rights, as well as in the dignity and worth of the human person. The Charter itself enjoins the United Nations to respect these rights regardless of race, sex, language or religion.

These principles, so affirmatively stated on such high authority, must become reality. We regard it as one of the most urgent, indeed, as one of the most noble tasks of our delegation to help, in the framework of the United Nations, to advance these rights everywhere and at all times. Whenever there was an opportunity which called for their affirmation, and for the elimination of an injustice due to their violation, the Austrian Delegation, on its part, has pleaded the cause of justice. We do not hesitate to do so in this case, too, although we have correct and friendly relations with the Union of South Africa.

This basic policy cannot be assailed on the grounds that - as has been argued with good cause - there are, after all, other places in the world where people are being discriminated against for racial, religious, or even ideological reasons. I would like to emphasize that we shall in any case, and regardless of what country may be involved in

such controversy, take the same position again.

The right for a life in freedom and dignity is without doubt one of the proudest achievements of our civilization. Without it, life seems hardly worth living. Thus, it may come to pass that nations or ethnic groups which are denied these rights will seek redress in desperate acts which may have incalculable consequences. It is one of the foremost concerns of the United Nations to prevent such a contingency.

It follows, then, that the Austrian Delegation will support any resolution that might lend itself to the realization of the basic human rights in the Union of South Africa - or, indeed, elsewhere.

AUSTRIA'S PARTICIPATION IN FAO

Austrian Minister of Agriculture Hartmann recently spoke before the 10th Conference of the UN Food and Agricultural Organization in Rome about FAO goals and Austria's contribution toward the solution of agricultural problems. Hartmann pointed out that most persons who work on the land are compelled by economic conditions to live on lower incomes than people working in other vocations. He said that FAO should be praised for trying to find a solution to this problem.

The Austrian delegation approved of the introduction to FAO's report on "Nutrition and Agriculture", Hartmann said, because it seemed consistent in underlining the fundamental importance of agriculture and forestry within general economic planning. Austria, he added, would not fail to profit by this work.

Referring to the subject of a "World Campaign to Fight Hunger and Poverty", Hartmann said that Austria had gained much experience in this field and was prepared to place these experiences at the disposal of FAO.

Hartmann appealed to FAO's member states to cooperate as closely as possible on common problems and assured the meeting of Austria's desire to help where it could to solve the many outstanding problems.

He announced at the meeting that the Catholic Women's organization of Austria had collected seven million schillings for aid in South Korea, particularly for hospitals and medicines. (About 26 schillings equal one dollar. Ed.)

AIR TRAFFIC INTENSIFIED

During the first nine months of 1959, Austrian airports recorded 123,657 arrivals - 20.4% more than during the equivalent period last year. Arrivals at the Vienna-Schwechat airport alone came to 107,692. Departures also rose sharply and amounted to 125,368 or 20.1% more than last year. Vienna-Schwechat recorded 108,945 Departures. Transit passengers amounted to 36,603, an increase of 9% over last year. During the period under review, Austrian airports handled 7,000 in and out going flights as against 6,174 last year.

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IAEA DIRECTOR GENERAL REPORTS TO UN

Sterling Cole, American director general of the International Atomic Energy Agency whose headquarters are in Vienna, recently reported in detail to the United Nations General Assembly on the agency's operations for the year ending June 30, 1959. His report, therefore, was the first to cover a full year.

Cole told the 82 UN delegations that the 1957-1958 period was "one primarily of organization, of preparation and of administrative conditioning characteristic of all new institutions." During the year, too, he said a solid basis had been laid for closer collaboration and coordination between the IAEA and other members of the UN family.

"Under the relationship agreements which we have concluded with ILO (International Labor Organization), FAO (Food and Agricultural Organization), UNESCO (UN Educational, Scientific and Cultural Organization), WHO (World Health Organization) and ICAO (International Civil Aviation Organization), a close and cooperating association is being developed between IAEA and those agencies."

Speaking generally of the progress of his agency during the year under study, Cole said: "The shakedown voyage of our ship is over. The vessel is now on its way." But he warned that there was a long distance still to go before many of the agency's objectives could be attained.

Cole then discussed some of these objectives and said that technical assistance was one of the most important parts in the agency's work. He reported that IAEA had selected nearly 600 students from 42 countries for training at advanced centers of instruction and research in member states.

He also disclosed that the agency had provided selected items of atomic energy equipment to seven countries and had made surveys of the needs of 16 others, mainly in the less developed areas.

Cole said that source materials — natural uranium — had been given to Japan for its research reactor. The first project to supply special fissionable material for an Austrian research reactor will come next, he said.

"Another important part of the agency's work has been the development of research projects," Cole declared. He said that 31 research contracts had been awarded to institutions in 14 countries and to one international body.

The agency's own service laboratory, now under construction near Vienna, will be in operation within a year. Once this project is fully operative, the Vienna labs will enable the agency to "expand its work on standards, health and safety, and material analysis, and will broaden the range of services it can give to member states," Cole said.

The agency has also started "a major and continuing study of the needs of the less developed areas for nuclear power, and is therefore giving special attention to the development of power reactors suitable for those needs," Cole told the UN.

He continued: "Another area of common interest is the holding of scientific conferences on the peaceful uses of atomic energy.....As our programs develop we plan to cover

by selected meetings, and at appropriate intervals, all aspects of the peaceful uses of atomic energy."

Cole said the agency would follow the recommendations of its scientific advisory committee by setting up an exchange for information in the field of controlled fusion and plasma physics. He pointed out that both the United States and the Soviet Union had already announced that their governments would use the agency as the central depository for all unclassified data on the peaceful uses of atomic energy, including thermonuclear reactions, high energy physics and the life sciences.

Cole then told of the agency's work in radiation protection. A "substantial beginning" has already been made in this field, he said. Several research contracts have been awarded and the agency has already held small specialized meetings "on the technical problems of measuring radioactivity in the form of atmospheric, biological and other samples."

In conclusion, Cole told the Assembly: "I believe that the report before you shows that the agency has now successfully completed the first phase of its development. The feeling of our General Conference, which ended a few weeks ago, was that the year ahead should be one of modest expansion in certain fields, and that elsewhere the main emphasis should be placed on consolidation of our present programs and improvement and refinement of techniques."

PRESS COMMENT

Die Presse

"BOZEN FACES FURTHER ITALIANIZATION...." *

The Italian majority in Bozen's Municipal Council recently rejected a petition signed by 68 citizens against the municipal housing construction proposal. The objection was directed against the proposed 30 years expansion plan of the city administration, a plan based on the assumption that in this period Bozen's population would jump from 80,000 to 150,000. Such tremendous gain in population, the South Tyroleans charged, would be possible only if political pressure was applied and natural growth would be supplemented by artificially fostered immigration.

The bitter experiences of the South Tyroleans during past 40 years make a certainty of the fear that Bozen's expansion could turn out only to their disadvantage. The original people of Bozen have already been so repressed during those 40 years that today they are a minority of 25% in their own town.

The expansion plan would also cut into agricultural land, which means that the peasantry would actually lose more ground; productive vineyards and fruit orchards, large grazing areas and whole farms would disappear.

The South Tyroleans demand that the expansion plan be limited to natural population growth expectancies, amounting to .8% yearly, or to a total population of no more than 110,000 within the next 37 years.

*) Recent editorial, "Die Presse," Independent Vienna daily.

ECONOMIC NOTES

During the first half of 1959, the Austrian food-stuff industry achieved the greatest production value of all Austrian industries. This value amounted to 5.2 billion schillings for that period. (About 26 schillings equal one dollar. Ed.) The result is due partly to increased production and partly to increased prices for the raw materials used in this industry.

Second came the textile industry with a volume of 4.4 billion schillings. Here the high production rise was the important factor. A close third was the chemical industry with 4.3 billion schillings. The iron ore industry came next with 3.1 billion schillings, followed by the machinery, steel and iron-working industry with 2.8 billion schillings, the iron and metal goods industry with 2.7 billions and the paper industry with 2.4 billions.

Below the two billion mark remained the electrical industry (1.9 billion schillings), the motor vehicle industry (1.7 billions), the ceramic industry (1.5 billions) and the metal and crude oil industries (1.4 billion schillings each). The mining and clothing industries achieved gross production values of 1.2 billion schillings each, the lumber industry 1.1 billion schillings, the leather industry 700 million schillings, the paper-working industry 600 millions, the glass industry 400 millions and the leather producing industry 300 million schillings.

LESS WORKERS, MORE WHITE COLLAR EMPLOYEES

Industrial employment statistics show that at the middle of the year, 644,140 persons were employed in 11,667 industrial enterprises. Compared with last year, this amounts to a decrease of 5,730 persons and 94 plants. However, since the date covered by the statistics employment has again risen and should, by September, reach the highest annual figures.

Compared with last year, the number of white collar employees rose by 158 to 93,085 while that of the workers fell by 10,334 to 476,999. Although this decrease is primarily due to the fact that shop foremen have been switched from the worker category to the white collar category, this development warrants certain attention because it might in part be also due to the emigration to foreign countries of a number of skilled workers.

Figures relating to productive work hours show 80.2 million hours in June, 1959, as against 85.4 million hours in June of last year. The remarkable decline is probably due to the shortening of the working day.

The employment situation developed differently according to the size of the various enterprises. In plants with more than 1,000 employees, it showed a decrease from 172,789 to 171,965 in the first quarter of 1959. In shops employing between 500 and 1,000, a small increase occurred. Similar small gains took place in plants employing between 250 and 500 persons. In smaller enterprises — employing between 100 and 250 people — an increase from 96,955 to 99,430 was noted.

The number of plants working at full capacity increased by 46 from 1,097 to 1,143. This corresponds to the favorable

results of the banner year of 1956. Another 1,186 shops used between 76 and 99% of capacity.

More than half of all industrial plants — 51.4% — thus showed a very high use of capacity. Another 25% worked at 51 to 75% of capacity.

These statistics are interpreted as showing that Austria is well on the way of conquering the effects of the recession which became evident late last year.

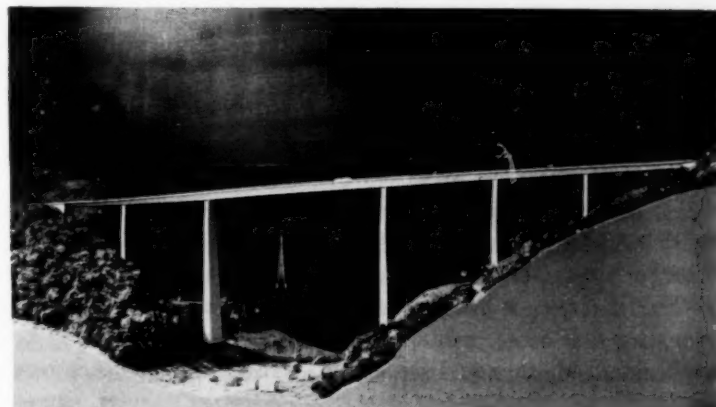
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An Austrian "Forex" or *Foreign Exchange Club* was recently established in Vienna under the sponsorship of the Association of Austrian Banks and Bankers to help facilitate international trade.

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Sears, Roebuck & Co., one of the large American mail order and retail concerns, recently opened a purchasing division in Vienna to simplify the import to the U.S. of Austrian merchandise, particularly bicycles, motorcycles and motorized bicycles.

* * *



Model of the 2,310-foot long bridge over the Sill River. The bridge rises almost 600 feet above the valley floor. See silhouette of St. Stephan's Cathedral for comparison.

TYROL SUPER-HIGHWAY UNDER CONSTRUCTION

The new super-highway through the Tyrol which, when completed, will connect roads leading from Germany through Austria into Italy, is now under construction in the Innsbruck-Schoenberg area. Ultimately it will go all the way from Kufstein to Brenner. Austrian engineers took note of the needs of the motoring public for years to come and have designed a highway of the highest standards and the most modern design. It will be a divided four-lane super-highway showing sufficient traffic capacity reserves to take care of any expectable load until at least 1972. Fifty million schillings have been put aside for the initial construction costs in 1959. The stretch now under construction in the Alps is about 5½ miles long, has many curves and a number of bridges. Its cost will come to about 250 million schillings. (About 26 schillings equal one dollar. Ed.)

The new construction includes approach roads from the heart of Innsbruck to the junction with the new highway at Innsbruck South. Two long bridges will cross the Sill River about 600 feet above valley floor level. (See picture above.)

VOeEST'S DEVELOPMENT INTO BIG INDUSTRY

When last October 23 two new large installations became operational, the event — attended by Austrian President Adolf Schaerf and other guests from public life and industry — marked a further important step in VOeEST's expansion. (VOeEST stands for United Austrian Steel Corp. Ed.) A second LD (blower converter system) steel plant and the new 15-foot tin rolling mill will help to boost VOeEST's raw steel capacity to 1.5 to 1.7 million tons and its tin production to one million tons yearly.

The road to VOeEST's rapid growth has been marked by excellent cooperation among the many thousands who work for the firm; this cooperation made it possible that from the rubble of World War II rose one of the most modern steel plants on the European continent.

Beginning with 1945, the expansion of the Linz plants took place in three stages. The first phase, from 1945 to 1950, served the reconstruction and repair of destroyed installations. The first blast furnace was fired in 1947, and the second followed a year later. During the same period two smelters were also taken into operation permitting two-shift work in the crude tin and fine tin rolling mills. One of six Linz furnaces was sold to Sweden in order to obtain the necessary foreign currency for the import of raw materials. In 1951, a third blast furnace became operational.

With parliamentary approval of the Austrian Iron and Steel Plan in 1948, VOeEST's phase of renaissance started. Austrian tin production was from then on concentrated with the firm in Linz. It became necessary to work out a capacity figure for raw steel production in the rolling mills yet to be constructed, which would satisfy the demand of manufacturers of "flat" products. The LD or blower converter system, named after the towns of Linz and Donawitz, which today is known the world over was the result of these efforts.

In 1951 a large rolling mill was completed and in 1953 the new LD plant, a tin rolling mill allowing for great width and a "cold" rolling mill joined VOeEST's industrial family. With all these plants, United Austrian Steel had a 1955 production of more than one million tons of raw iron, 800,000 tons of raw steel and almost 500,000 tons of tins.

During the third stage, the enterprise was consolidated. Provision was made for a capacity increase to 1.2 million tons through addition of a third crucible furnace in the LD plant, construction of a new crucible rolling mill which would accommodate sheets up to 15 feet width, and expansion of the industrial port of Linz. In contrast to the first investment phase which primarily was financed by Marshall Plan means, the second phase of expansion was realized from the firm's own, earned finances. With the exception of the expansion of the port, the third stage of the expansion of Linz plant installations was completed during mid-1958. During that year, VOeEST reached production figures of 1.2 million tons of raw steel and 800,000 tons of tins.

The current production program of the VOeEST plants — embracing coke works, furnaces, machine shops and steel

making — give an idea of the firm's economic capacity. In the nine batteries of the Linz coke works nearly two million tons of coal is used every year. The result assures enough coke for VOeEST's own plants as well as for other companies. Coke gas, a byproduct, is the basis for the fertilizer products of the Austrian Nitrogen Works. Besides the furnaces and similar plants, VOeEST owns two foundries with a yearly production of more than 40,000 tons and a smithy which last year worked up 15,000 tons of steel. The machine shop primarily builds parts for the rolling mills, machines to process tin, turbines of all sorts as well as drill presses and other machine tools.

The planning and construction of steel plants and blast furnaces has in recent years become one of VOeEST's "products." The firm was enabled to go into this large scale type of steel business as a result of satisfying its own needs of machinery and steel producing plants and of the experience gained in the use of LD steel in its own production schedule.

The first success in VOeEST steel plant sales was the order from India which contracted for the construction of an LD steel plant in Rourkela with a yearly capacity of 750,000 tons. The Rourkela plant is now under construction by VOeEST in cooperation with the firm of Fried, Krupp, Essen, Germany, which manufactures certain parts of the rolling mill installations. Other well-known German firms have been subcontracted for work connected with the coke plant, blast furnaces and rolling mills.

United Austrian Steel has arrived at an agreement with the firm of Krupp about future collaboration in the erection of LD steel plants everywhere in the world. This contract is considered proof that a state-owned and operated industry such as VOeEST is technically so advanced that it can easily work together with the great private corporations in so difficult an industrial branch as iron and steel.

VOeEST also has plants in Liezen and Krems. The Liezen furnace produces about 50,000 tons of raw steel yearly and has a foundry and shops for the manufacture of road building machines. The Krems plant makes fine tins and special surface tins.

The broad production and manufacturing schedule of the VOeEST enterprise makes it almost necessary that exports are given special attention. As a matter of fact, the firm's production capacity can be fully exploited only if 50% of its products are exported. Efforts to set up a sales organization resulted in the establishment of separate companies in the Federal Republic of Germany, Italy, Switzerland, Denmark, Norway and Great Britain. More than 40 representatives and agents attend to VOeEST's sales interests in the rest of the world.

In 1957, total sales for the entire VOeEST enterprise reached a top figure of almost five billion schillings. (About 26 schillings equal one dollar. Ed.) This amount corresponds

to about one seventh of the Austrian state budget or roughly equals the annual budget of the City of Vienna. In 1958, total sales were about half a billion schillings less although total production had increased somewhat. The reason for the decrease in value can be found in the international economic crisis which affected the price though not the volume.

The production and sales figures given above were achieved by a staff which altogether numbered 18,248 persons. This number breaks down into 14,513 workers, 2,969 white collar employees and executives, and 766 apprentices. This tremendous concentration of people in a city which only 15 years ago hardly had any industries worthy of the name made the solution of immense social problems, especially housing, absolutely necessary.

For VOEST as a whole it has been of utmost importance to bring about a production ratio which would permit top capacity leading to a lowering in prices through exploitation of the most modern technical methods. VOEST has to import a good share of the needed iron ore and all its coke. Thus, it must try to secure competitive success by offering high quality products at the lowest possible prices. These reasons were partly responsible for the construction of the second LD plant which was opened in October.

With the expansion of VOEST's steel producing capacity, Austria's steel industry will roughly equal that of Luxembourg. VOEST, by itself, will leave the ranks of the medium-large industry and become Big Industry among the steel plants of Europe. VOEST's capital investment, according to latest figures, amounts to about 2.7 billion schillings or 64% of its total assets. This is roughly equal to the financial structure of most West German steel corporations.

In order to obtain recognition of LD steel by the international classification societies, VOEST management decided in 1956 to contract for the construction of a 14,500-ton ocean-going vessel built from LD steel. This ship now is on its third round trip to the United States from Bremen with cargoes of coke and Volkswagens.

The decision to build an LD ship was of importance not only to the acceptance of LD steel but it also afforded the opportunity to balance international fluctuations in the freight market. VOEST is certain to continue upon this road.

In order to exploit the LD blower converter blast system, a corporation was established in Zurich whose shares originally were in foreign hands with VOEST and Alpine Steel reaping but little of the profits. VOEST succeeded in 1956 in buying the stock of this corporation and thus in returning the full profits of LD exploitation to Austria. Today, both VOEST and Alpine Steel are working in close cooperation in blazing a trail for LD steel in all the world. Even in the United States where a patent suit is now sub judice, it is hoped that agreement can soon be found for the uninterrupted use of the LD system. In the U.S. the steel firm of Kaiser is the licensee for LD. Works employing the LD system are today operating in Canada (2), U.S. (3), West Germany (2), Japan (2), Holland, Brazil and France. Together with VOEST in Austria, all these firms use the LD process in the produc-

tion of between eight and nine million tons of steel yearly. Under construction, aside from the LD plant in Linz, are three new LD plants in the U.S., three in Japan, one in India, one in Portugal and one in Brazil. When all these installations are operating, world LD capacity should pass the 15 million ton mark yearly.

SOMETHING TO LOOK FORWARD TOO ... NEXT APRIL

A lot of vehicular statistics published in recent years in AUSTRIAN INFORMATION must have convinced the reader that motor vehicles have a future in Austria. They showed how registrations of cars and motorcycles jumped to new record highs every year and how Vienna was leading the nation in sales of automobiles.

And AI also talked about horses, every once in a while. Also about statistics about horses. Particularly certain excellent Austrian equines which in ever larger numbers are exported for breeding purposes into many countries.

But the subject of today's review is not that type of horse at all. It's the predecessor of the automobile — the horse-drawn cab, or in Vienna the *Fiaker*.

Much sung about in the olden times, the horse, its master and the wagon have all but disappeared from Vienna's street. So what's the news?

The trend has been reversed. Yes, sir. Statistics which came to hand just as Vienna's horse-drawn cabs went into winter quarters show clearly and beyond the shadow of any doubt that Old Dobbin has made a comeback. And he'll be out with all his brethren come April when the sun shines bright in Vienna and people want to get around slowly.

But back to the statistics. On the last day of October, 1959, there were 33.33% more horse-drawn cabs in Vienna than three years ago (and that certainly shows that the trend of doing without old nags has been completely reversed). According to reliable sources, 16 horses went into winterquarters as against only 12 horses which made it in 1956. What's more at least 16 horses will come out of hibernation in April and rumor has it that a 17th horse will be imported from Lower Austria because right now they have 17 hansoms in Vienna but only 16 horses.

Vienna's horse cab drivers are of the old school. They wouldn't change a horse for a Cadillac. No, sir. They have gotten used to their animals and the animals have gotten used to the many lanes, paths, streets and "gassen". It's an ideal relationship. And very romantic for the rider. He can see Vienna in slow motion, and that's the way Vienna should be seen. And cheaper, too. A one-hour trip which takes in some of the best architecture, parks and Blue Danube costs only about \$2.25, and nothing extra for a romancing couple. But, of course, the horses will go anywhere and you with them (and we recommend a day's outing). For a long trip to, say, the Kahlenberg (Bald Mountain) you pay about \$12, of which 10% is for the climbing.

Most of the 16 drivers are not the owners of the cabs. They work on a percentage basis for concessionaires. The boss gets 75% and your guide the rest. However, a few real old timers who own their horses and hansoms (fiakers) are still around. There's 80-year old Sandner, known as the dean

of Vienna Flakers, and 76-year old Franz Winkler. Look for them next spring around St. Stephan's Cathedral. They really know Vienna. Giddap!

NEW SALZBURG FESTIVAL THEATER TO OPEN WITH "ROSENKAVALIER."

Salzburg's new Festival Theater will open next July 26 with a gala performance of Richard Strauss' "Der Rosenkavalier," it was announced recently. Herbert Karajan, the director, told a press conference in Vienna that a real premiere, a world premiere, will follow August 16 or 17 with the performance of Frank Martin's scenic oratorio "Le Mystere." This work will be performed in concert form in Geneva under the baton of Ernest Ansermet December 23. Ansermet will also direct the scenic performance in Salzburg.

Martin used the old French text by Greban for his oratorio which is a thematic treatment of the birth of Christ. Stage direction will be undertaken by Margarete Wallmann; the scenic design will be by Helmut Juergens. Rehearsal will start in Salzburg next July 1.

The opening performance of "Rosenkavalier" will be under the baton of Karajan. Rudolf Hartmann of Munich will have the artistic direction.

In the old Festival Theater -- henceforth to be known as the Little Theater -- the Mozart cycle will be continued. Next season it will include "Don Giovanni" (Karajan, conductor; Oscar Fritz Schuh, artistic director; Caspar Neher,

scenic designer), "The Magic Flute," and "The Marriage of Figaro." Mozart's "Cosi Fan Tutte" will be performed in the Salzburg Provincial Theater under Boehm's direction.

In the Carabinieri Hall which in the future will serve performances of Mozart's chamber operas that composer's youthful work "La Finta Semplice" will be given under the baton of Bernhard Konz.

In Salzburg's *Felsenreitschule* (Rock Riding Academy), Verdi's "Don Carlos" will be performed in the Gustaf Gruendgens production. One of the most gifted Italian conductors, Nello Santi, now active in Geneva, was engaged to conduct this work. Santi will appear next February or March as guest conductor at the Vienna State Opera.

The Salzburg program for 1960 also lists the premiere of O'Neill's posthumous drama "Hughie." Schuh will have the direction and Neher will draft the scenic designs. Another performance will present a comedy -- either classical or modern -- under Ernst Lothar's direction in the Salzburg Provincial Theater.

Also scheduled are five concerts by the Vienna Philharmonic Orchestra and four by the Berlin Philharmonic. The opening concert, conducted by Karl Boehm, will offer works of Mozart and Beethoven. The other conductors are Mitropoulos, Muenchinger, Karajan, Keilberth and Pierre Boulez. Modern Music will be given in two concerts under Boulez' baton, including works by Stockhausen, Nono, Boulez, Webern and Berio.

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